



CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 07/24/01

AGENDA ITEM 11b

WORK SESSION ITEM

TO: Redevelopment Agency Board Members

FROM: Director of Community and Economic Development

SUBJECT: Authorization to Issue a Request For Proposals for Implementation of the Cannery Area Design Plan

RECOMMENDATION:

It is recommended that the Board authorize issuance of a Request For Development Proposals for a mixed-use development in the Cannery Area consistent with the Cannery Area Design Plan (Design Plan).

BACKGROUND:

In order to encourage the timely and coordinated implementation of this plan, staff is proposing the issuance of a Request for Development Proposals (RFP) for the majority of the Cannery Area shown as Sub Area 2 in the Design Plan.

There are two primary reasons for moving forward with development of the Cannery Area Design Plan Sub Area 2 at this time. First, the Hunts-Wesson Cannery has effectively closed and is in the process of vacating its property. Secondly, staff continues to receive significant interest in redeveloping this property from several area property owners.

Given the complexity of the development scenario, the number of property owners, and the number of public agencies involved, staff believes that it is desirable to have one development entity provide the coordination necessary to implement the objectives of the Design Plan.

It is anticipated that the Agency will be an active partner in facilitating this project, and the RFP outlines several ways in which it could potentially work with the selected developer. Staff anticipates serving as a liaison between the developer, Hayward Unified School District (HUSD), and Hayward Area Recreation and Park District (HARD). In addition, the Agency may consider providing assistance with the assembly of properties, tenant relocations, site remediation, provision of affordable housing, and identifying financing resources. The Agency may also consider forms of financial assistance if there is a demonstrated need for it.

This RFP process will solicit development proposals for an approximate 71-acre portion of Sub Area 2 (see Exhibit A). The selected development entity can provide the coordination required to work with multiple public agencies and construct the extensive infrastructure system that

includes new roads, extension of utilities, open space, a new elementary school and an expansion of the Cannery Park area. Additionally, the selected development entity can coordinate the assemblage and re-parcelization of the multiple properties currently existing within the Sub Area. The Redevelopment Agency can also assist in this regard. Finally, a single development entity can help assure that the phasing of the development proceeds smoothly.

The RFP will solicit development proposals that would implement a major portion of the Cannery Area Design Plan in Sub Area 2. The following numbers of residential units and other development being solicited in the RFP are a sub-set of the total development program that is envisioned in the Design Plan:

- 527 to 656 residential units;
- Approximately 67,000 square feet of live-work flexible space;
- Approximately 10,000 square feet of neighborhood serving retail development.
- All necessary road and utility infrastructure;
- A new 65,000 square foot elementary school;
- Expansion of Cannery Park into a 14.9 acre park and school playground facility (excluding the community center); and
- A pedestrian overpass to connect Centennial Park with Cannery Park and the Burbank neighborhood.

Staff currently envisions that the selected developer will be responsible for land assembly, overall project financing, project entitlements, land clearance and remediation, and the development of the facilities outlined above. The developer would also be required to pay prevailing wages in accordance with existing Agency policy.

State law requires that 15% of the total number of housing units developed in the redevelopment area must be affordable to households of low to moderate-incomes, and that 40% of these units (6% of the total number of units built) must be affordable to very-low income households. Given that the project is located in the redevelopment area, the proposed residential development will be subject to these requirements. For example, a 656-unit project would generate an affordable housing obligation of 98 low to moderate-income affordable units, of which 39 units must be affordable to very-low income households.

There are two options available to meet the State mandated affordable housing production requirement. The affordable housing units may be constructed within the project site, or outside of the project site and within the city limits. If the units are built outside of the project site, the required number of units double. In this instance, a requirement for 98 affordable housing units within the project site will increase to 196 units outside of the project site. Staff believes that the affordable units can be efficiently and successfully integrated into a development of this scale. Staff is seeking direction from the Agency Board on this matter.

There have been many discussions and proposals regarding the use of the existing school site following the construction of a new elementary school. The Design Plan proposes that the

school grounds east of the school building be developed as single-family housing. Other proposals involve converting the school building (or portions thereof) into a community center. Staff is continuing to work with HUSD on the re-use of the existing school site. Recognizing that HUSD has not yet determined the eventual re-use of Burbank School, the RFP boundaries exclude the school building and the playground/portable building area to the east.

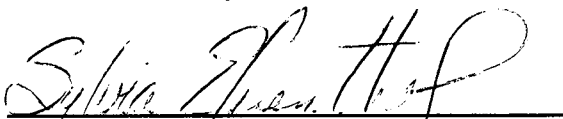
The RFP will be issued to existing property owners and businesses within the Project Area, as required under the Agency's Owner Participation Rules. In addition, the RFP will be issued to a number of developers that are judged to be capable and experienced in this type and scale of development. The RFP would allow a period of two months for interested parties to respond, with a due date of September 28, 2001. During that time, staff will schedule a pre-submittal conference to provide supplemental information and resolve any questions or issues that may surface. Following the submittals, staff will analyze and rate the proposals and interview those deemed most responsive to the RFP. HUSD and HARD will also be invited to participate in the developer selection process. It is anticipated that staff will return to the Agency Board with a recommended developer for its consideration in November of this year. If approved, the selected developer would enter into an Exclusive Negotiating Agreement with the Agency in order to more fully define the development program, financing and phasing as well as any assistance that the developer may require.

Prepared by:



Maret Bartlett, Redevelopment Director

Recommended by:



Sylvia Ehrental, Director of Community
and Economic Development

Approved by:



Jesús Armas, City Manager

Attachments: Exhibit A - Site Map

EXHIBIT "A"

